



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

703 East Main Street

*Dolores A. Esser
Commissioner*

*Post Office Box 1358
Richmond, Virginia 23218-1358*

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Contact: Joyce Fogg, Public Relations Manager
Public Relations Manager
(804) 786-7496 or (804) 786-3001

UNEMPLOYMENT INSURANCE PROGRAM REACHES 70TH ANNIVERSARY

RICHMOND— In 1935, President Franklin D. Roosevelt proposed to Congress economic security legislation recommended by a specially created Committee on Economic Security. As a result, the Social Security Act was enacted on August 14, 1935. This law established two social insurance programs on a national scale: old-age retirement benefits for retired workers who had been employed in industry and commerce, and a Federal-State system of unemployment insurance.

The law establishing the Unemployment Compensation Commission of Virginia, now known as the Virginia Employment Commission, was enacted on December 18, 1936. In 1938, its first full year of operations, the Commission processed 149,089 initial claims for benefits, and paid approximately \$5.6 million in benefits. The maximum weekly benefit was \$15 and the average weekly payment was \$8. By comparison, in 2004 the Commission processed over 303,000 initial claims, and paid over \$385 million in benefits to eligible workers. The average weekly payment was \$230. Currently, the maximum weekly benefit is \$330.

There have been many innovations in the UI program since the 1930's. "The technological advances our society has experienced in the last decade have enabled us to make the UI program much more accessible to workers and employers," stated Dolores Esser, Commissioner of the Virginia Employment Commission. "Over 60% of all claims are now filed by telephone through our Customer Contact Centers, or through the Internet. In addition, Virginia's 174,000 employers can use the Internet to register with the VEC, file reports, and submit their payroll taxes. These innovations have significantly improved both the effectiveness and the efficiency of state government," Esser said.

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The unemployment insurance program has been a stabilizing force during times of economic hardship by providing eligible unemployed workers with a temporary source of income until they can obtain employment. "Since its inception, the UI program has provided temporary income to unemployed workers, assisting them in meeting their basic living expenses during times of economic distress as well as providing critical economic stability for the business community. The Commissioner also stated, "Moreover, I greatly appreciate the hard work and dedication displayed by the present and past staff of the Virginia Employment Commission who have performed in an exemplary fashion to bring the benefits of this program to all Virginians."

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